The capital market aids corporates to raise capital; the secondary market provides for trading of scrips. The movements in the stock market indices are not a determinant of growth of the economy, since, such movements could be due to a variety of reasons including the perceptions of investors.

Selling of shares by Foreign Financial Institutions

†2388. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Foreign Financial Institutions have sold maximum shares in Indian stock markets from 1 September, 2008 to 14 November, 2008;

(b) if so, the total value of these shares; and

(c) the total turnout from shares sold in the country's share market during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The net investment by FIIs for the period September 01, 2008 to November 14, 2008 was Rs. (-29,947.98) crore.

(c) The Total cash market turnover (single sided) at both NSI and BSI during the period September 01, 2008 to November 14, 2008 was Rs.7,93,896,01 crore.

Securities and Borrowing Lending Scheme

2389. SHRI ABDUL WAHAB PEEVEE: Will the PRIME MINISTER be pleased to state:

(a) the reasons for which the Securities and Borrowing Lending Scheme is not being rolled out in National Stock Exchange (NSE) properly;

(b) the reasons behind NSE promoting cash settled Futures and Options (F&O) which has led to excessive speculation;

(c) the reasons for which NSE is not implementing SEBI's vision of the balance scheme of Securities and Borrowing Lending to protect its monopoly of cash settled F&O which as per original report were to be cash settled only for one year; and

(d) what percentage of NSE volume constitute cash settled Nifty futures and what NSE has done to deepen the Capital Markets in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Securities and Exchange Board of India (SEBI) has provided a framework for Securities Lending and Borrowing (SLB) Scheme which has been operationalised with effect from April 21, 2008. NSE has accordingly implemented the scheme based on the framework provided by SEBI.

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†Original notice of the question was received in Hindi.